NOV 14 1997

Honorable Franklin D. Raines
Director
Office of Management and Budget
Old Executive Office Building, Room 252
Washington, DC 20503

Dear Mr. Raines:

Enclosed is the USDA Quarterly Report regarding our efforts to resolve the Year 2000 date conversion problem. Since our last report, there has been an increased level of focus and attention on this issue by every level of the Department. While there is still a long way to go, I believe that we have the correct level of engagement that will result in a successful effort. We are committed to the compliance of all mission critical systems by September 1, 1999.
Dr. Gregory Parham, our Year 2000 Executive, will be available on Saturday and Sunday to answer any questions that you or members of your staff may have. He can be reached at (202) 720-2525. I have included, for your review, a chart which shows our current Year 2000 organization at both the Department and Agency level.

Sincerely,

RICHARD E. ROMINGER
Deputy Secretary

Enclosure

Status of Department of Agriculture Year 2000 Efforts
Quarterly Report for November 1997

1.   ***Organizational Responsibilities. Describe how your Department/Agency is organized to track progress in addressing the Year 2000 problem. (Provide the information for this item once with the initial report, and update it in future reports only if it changes.)***

Since the Quarterly Report for August 1997, the Department of Agriculture (USDA) has made significant changes in organizational responsibilities for addressing the Year 2000 problem. The Chief Information Officer (CIO) has expanded the Year 2000 Program Office to include the establishment of a Senior Executive level position to provide overall leadership for the Department. The mission of the Year 2000 Program Office is to ensure that USDA's mission-critical systems are Year 2000 compliant by September 1, 1999. The Year 2000 Program Office will provide the guidance and leadership for the Department on all aspects of USDA's Year 2000 program, and keep the focus on meeting the September deadline.

At the direction of the Secretary, each Administrator within the Department has appointed a Senior Executive who is responsible for the leadership, management, and implementation of the Year 2000 efforts at the agency level. For this purpose, the Year 2000 Senior Executive reports directly to the Agency Administrator. These Executives work with their Chief Information Officers and Year 2000 project teams to assure that programmatic objectives are being met. They, in turn, are the first point of contact and work directly with the Department CIO on Year 2000. The Senior Executives meet on a monthly basis, as a group, to focus on the Department-wide Year 2000 effort, address cross cutting departmental issues, and share information regarding best practices.

As noted above, each Administrator has established project teams with full-time leaders to support Year 2000 conversion efforts. The project team leaders continue to meet on a monthly basis to address technical and programmatic issues, though more frequent meetings occur as required on specific topical areas, such as, testing, infrastructure issues, and telecommunications. A USDA Year 2000 Project Management Plan has been developed and shared with the agencies outlining the specific steps and milestones leading to full compliance.

a.   ***Describe the responsible organizations for addressing the year 2000 problem within your Department/Agency and provide an organization chart.***

The CIO has been given the responsibility for addressing the Year 2000 problem within USDA. The CIO has created a Year 2000 Program Office with the responsibility for coordinating the management of the USDA Year 2000 remediation effort. Each USDA agency is responsible for addressing its Year 2000 issues. The Year 2000 Program Office fosters and maintains communication among and between agencies in order to share resources and lessons learned. As directed by the Secretary, every agency Year 2000 Senior Executive has a performance element that addresses management responsibility for Year 2000 issues and is accountable to the Agency's Administrator.

The Year 2000 Program Office is structured to provide executive leadership and oversight to four key areas. The Senior Executive for this staff is responsible for shaping and managing the department effort and the oversight of agency activities and progress. Program leaders have been identified and assigned for the four key areas to include information technology systems, telecommunications systems and processes, vulnerable systems and processes (buildings/facilities, scientific equipment, etc.) and crosscutting issues. Their responsibilities include monitoring and reporting the rate of progress being achieved.

Each agency has a parallel organizational structure to address Year 2000 issues. The role of the Senior Executive in each agency is to provide leadership for all Year 2000 initiatives, set project priorities, keep Agency Administrators apprised of Year 2000 status, and report on Year 2000 activities to the USDA Year 2000 Program Office. Agency project teams are responsible for the accomplishment of Year 2000 remediation efforts related to information technology systems, telecommunications systems, and vulnerable building systems and processes. On these matters, the Agency CIO and the project team leaders report directly to the Agency Senior Executive.

b.   *Describe your Department/Agency's processes for assuring internal accountability of the responsible organizations. Include any quantitative measures used to track performance and other methods to determine whether the responsible organizations are performing according to plan.*

The Year 2000 Program Office has developed a project management plan for achieving Year 2000 compliance by September 1, 1999. The Program Office receives a monthly status report from each agency and serves as the central point for tracking the progress in all phases of Year 2000 remediation effort. Since the August 1997 report, each agency has supplemented its Year 2000 plan with detailed information that specifies the schedule for bringing each mission critical system into compliance.

A database has been established to track performance and status of each mission critical system. Timeliness and budgets for each system are being monitored as agencies repair, replace or retire systems. The status of each agency system is available for review and analysis by the Program Office and the CIO to assure internal accountability. In addition, the CIO has requested and received the support of the Inspector General who has started to include Year 2000 compliancy issues in the ongoing review process.

c.   *Describe the management actions taken and by whom, when a responsible organization falls behind schedule.*

During FY 1997, a moratorium was put into place for all new information technology acquisitions over $250,000. Agencies were not allowed to exceed the $250,000 limit without acquiring CIO approval. As a means of strengthening the CIO ability to focus department attention on the Year 2000 issue and the lack of progress by the Department in this regard, on September 19, 1997 the CIO imposed more stringent guidelines for

purchasing IT acquisitions. The revised guidelines provides for waivers only in cases of emergency or when the acquisition is directly related to solving the Year 2000 problem. Under this new guidance, the CIO must approve all IT requests in excess of $25,000. The revised moratorium will continue in effect until agencies have shown significant progress in solving the Year 2000 issue.

Further, if an agency falls behind schedule in meeting the milestones and scheduled time frames for the five phases of the Year 2000 project, the CIO talks directly to the Agency Administrator, the Under Secretary for that mission area, and to the extent necessary, the Secretary. An immediate dialogue is established on the problem and actions to be taken. The CIO is empowered to take whatever steps are appropriate to get the Agency back on track including an independent validation and verification of the agency's progress.

d. **Describe how internal performance reports are verified.**

Internal reports are reviewed and validated at each level in the agency and Department. This includes the project team leaders, agency Senior Executive, the Administrator, and sub-cabinet officials. The Senior Executive for each agency is responsible for verification of the accuracy of reports. When questions arise, the Year 2000 Program Office meets with the Senior Executive and/or agency CIOs and project leaders to clarify and resolve issues. Further, the CIO has established a process where organizations in trouble are immediately referred to the Inspector General Office for a review. To date, seven process reviews are in progress or have been completed. Additionally, independent verification and validation of agency Year 2000 technical performance is being explored and used at both the agencies and the Department level to verify progress and opportunities to improve upon processes.

2. **Status. Provide a report of the status of agency efforts to address the year 2000 computer problem which includes:**

a. **An agency-wide status of the total number of mission-critical systems.**

Total Number of Mission-Critical	Number Already Compliant	Number Being Replaced	Number Being Repaired	Number Being Retired
1,341	210	58	947	126

b. *The status of the mission-critical systems being repaired. The status should be presented as a percentage of mission-critical systems that have completed the Assessment, Renovation, Validation, and Implementation Phase consistent with the Agency's milestones as follows:*

	Assessment	Renovation	Validation	Implementation
OMB Milestones	6/97	9/98	9/99	10/99
USDA Milestones	11/97	9/98	9/99	9/99
Percent Completed	100%	11.7%	6.2%	7.0%

3. *Costs. If estimates of year 2000 information technology costs(1) have changed from the amounts most recently reported to OMB, report the new estimates. Report totals in millions of dollars for FY 1996 through FY 2000.*

Fiscal Year	1996	1997	1998	1999	2000	Total
Cost (in millions)	$4.83	$18.393	$49.955	$26.221	$9.740	$109.139

The projected costs include estimates for testing and validation of mainframe applications at the National Finance Center in New Orleans, Louisiana, and the National Information Technology Center in Kansas City, Missouri.

4. *Exception Report on Systems.*

None at this time.

USDA Year 2000 Organization

Dan Glickman
Secretary of Agriculture
Richard E. Rominger
Deputy Secretary of Agriculture

Anne F. Thomson Reed
Chief Information Officer
Ira L. Hobbs
Deputy Chief Information Officer

USDA OCIO Year 2000 Program Office
Gregory Parham
Program Executive

Boris deSouza
Telecommunications
Program Manager

Evelyn Davis
Vulnerable Systems and Processes
Program Manager

Sandra Ginyard
Information Technology Systems
Program Manager

Dale Alling
Crosscutting Information and Data
Program Manager

Mission Area
Under / Assistant Secretary

Agency
Administrator

Year 2000 Senior Executive
Agency Chief Information Officer

Agency
Vulnerable Systems and Processes
Project Team

Agency
Information Technology Systems
Project Team

Agency
Telecommunications
Project Team